## Message Text

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INFO OCT-01 ARA-10 ISO-00 EB-07 MC-02 CIAE-00 INR-07

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R 191313Z APR 75 FM AMEMBASSY QUITO TO SECSTATE WASHDC 5220

INFO AMCONSUL GUAYAQUIL

UNCLAS QUITO 2668

FOR COMMERCE/BIC/OED/OVERSEAS PRODUCT SALES GROUP

E.O. 11652: N/A TAGS: BEXP, EC SUBJECT: PRODUCT OPPORT

SUBJECT: PRODUCT OPPORTUNITIES: MUNITIONS PLANT AND OTHER DINE

**PROJECTS** 

REF: A. QUITO 8133 B. STATE 077294

1. IN LATE MARCH, EMBOFFS CALLED ON COL. JORGE ENRIQUES, DIRECTOR OF DINE (ARMY INDUSTRIES DIRECTORATE) TO INQUIRE ON STATUS OF MUNITIONS PLANT PROJECT. ENRIQUES CONFIRMED EARLIER INFORMATION THAT WINCHESTER OFFER HAD BEEN RECEIVED BY MAIL SEVERAL DAYS AFTER JANUARY 24 DEADLINE, BUT THAT DINE WOULD NEVERTHELESS TAKE IT UNDER CONSIDERATION

ALONG WITH OFFERS FROM SEVERAL OTHER COUNTRIES. THESE OFFERS ARE PRESENTLY UNDER STUDY BY A COMMISSION, BUT NO DECISION ON SELECTION OF FIRM IS EXPECTED IN THE NEAR FUTURE. ENRIQUES STATED IN RATHER VAGUE TERMS THAT, ALTHOUGH GOVERNMENT INTENDS TO EVENTUALLY BUILD MUNITIONS PLANT, PROJECT IMPLEMENTATION IS TEMPORARILY POSTPONED. WE WERE UNABLE EXTRACT FURTHER DETAILS.

2. OTHER PROJECTS. A. INTEGRATED STEEL PLANT: DINE HAS CONTRACTED AGREEMENT WITH CENDES, INDUSTRIAL DEVELOPMENT CENTER, MINISTRY OF INDUSTRIES AND COMMERCE, TO ESTABLISH A JOINT COMMITTEE TO DRAFT FEASIBILITY STUDY (SEE QUITO 1798). (FYI: THIS IS APPARENTLY ANOTHER PROJECT PLANNED BY DINE WHOSE IMPLEMENTATION IS BEING ONLY SLOWLY UNCLASSIFIED

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REALIZED, DESPITE FACT THAT FOREIGN OFFERS HAVE BEEN RECEIVED,

INCLUDING GERMAN, BELGIAN AND U.S. FIRM ARMCO.) B. EMBOFF RAISED SUBJECT OF ITEMS IN LOCAL PRESS WHICH REPORTED THAT HUGHES HELI-COPTER CO. INTENDED TO ESTABLISH HELICOPTER ASSEMBLY PLANT IN ECUADOR. ENRIQUES REPLIED THAT, IN ESSENCE, NEWS REPORTS WERE EXAGGERATED. REPRESENTATIVES FROM HUGHES CO. IN ARGENTINA HAD APPROACHED DINE WITH PROPOSAL FOR ASSEMBLY PLANT. DINE, HOWEVER, HAD NOT MADE COMMITMENT, AND IT IS PREMATURE TO ATTEMPT DETERMINE IF PORJECT IS FEASIBLE. DINE, SAID ENRIQUES, IS WILLING TO ACCEPT ALL TYPES OF PROPOSALS FOR STUDY. C. NON-FERROUS METAL PLANT: WHEN ASKED WHICH OTHER PROJECTS DINE HAD IN MIND, ENRIQUES MENTIONED A NON-FERROUS METAL PLANT AND SAID HE WOULD PROVIDE EMBASSY WITH DETAILS IN WRITING. LETTER PROVIDING THESE DETAILS WAS RECEIVED AT EMBASSY MARCH 31 (SEE QUITO 2294, FOREIGN GOVERNMENT TENDER).

3. COMMENT: THERE IS OBVIOUSLY LITTLE WE OR WINCHESTER/OLIN CAN DO RE: MUNITIONS PLANT AT THIS TIME. WE WILL, HOWEVER, CONTINUE TO MONITOR SITUATION AND PERIODICALLY REMIND DINE OF WINCHESTER OFFER. SUGGEST THAT U.S. FIRM, IF IT HAS NOT DONE SO RECENTLY, MAKE ROUTINE REQUEST TO DINE FOR STATUS REPORT. HEMENWAY

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Subject: PRODUCT OPPORTUNITIES: MUNITIONS PLANT AND OTHER DINE PROJECTS

TAGS: BEXP, EC To: STATE

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